



DECISION ENGIE

Date: June 17, 2020

Reference: ENGIE 2020-005

Issuer: CSR Department

Contact person: Anne Chassagnette

Email: anne.chassagnette@engie.com **Tel.:** +33 (0)1 44 22 67 59

Societal Policy

Summary

ENGIE's Societal Policy clarifies the societal challenges for the Group, the methods deployed to respond to these challenges and the governance that contributes to the implementation of this policy.

This decision will take effect on June 17, 2020 and will apply to activities carried out on behalf of ENGIE itself and its controlled subsidiaries worldwide. This policy has been developed taking into account the CSR standards and commitments issued by bodies such as the United Nations, the ILO and the OECD to which the Group adheres. It is applicable within the limits of the laws and regulations that apply to regulated companies.

Cancelled or amended document(s): 2018 Societal Policy no. 2018-003

Attachment(s): none

Distribution: external

ENGIE

1, place Samuel de Champlain – Faubourg de l'Arche
92930 Paris La Défense cedex, France
Tel. +33 (0)1 44 22 00 00

engie.com

ENGIE – SA with share capital of EUR 2,435,285,011 – RCS Nanterre 542 107 651

Table of Contents

Preamble

1. The Group's societal challenges	3
1.1. NEW CHANGES IN STANDARDS AND SOCIETAL EXPECTATIONS	4
1.2. HUMAN RIGHTS	4
1.3. SOCIETAL INNOVATION	4
1.4. ACCESS TO ENERGY	4
1.5. RESPONSIBLE CONSUMPTION	4
2. The methods implemented by the Group to address its challenges	5
2.1. BE IN CONTACT WITH CIVIL SOCIETY	5
2.2. PROVIDE OPERATIONAL EMPLOYEES WITH A SOCIETAL TOOLKIT	5
2.3. ORGANIZE TRAINING PROGRAMS AND SUPPORT FOR BUS	5
2.4. ESTABLISH A CSR MARKETING APPROACH	5
3. Governance on societal responsibility matters	6
4. Appendices	7
4.1. APPENDIX 1: Our objective to engage with stakeholders between now and 2030	7
4.2. APPENDIX 2: NGO partnerships	7

Preamble

The Group's development strategy seeking to engage with societal issues, demonstrates a willingness to support changes in society and behaviors.

The current context is characterized by regulatory developments that support citizens' desire to ask companies to explain their activities by an increasingly structured and organized civil society, and by a strong demand for information from communities. It should also be noted that there is a significant increase in responsible consumption and a real quest for meaning in consumer habits, along with high expectations from employees on societal issues. These contextual elements are all the more reason for ENGIE to adapt its activities.

While it is undeniable that our projects have a strong impact on communities, it is also becoming increasingly clear that citizens are claiming full-fledged stakeholder status and calling for greater consultation on and involvement in the projects that affect them. In response to this twofold observation, ENGIE has committed to a proactive approach upstream of recent regulatory developments by placing societal challenges at the core of its business model. **Through its purpose statement, ENGIE enshrines in its bylaws its commitment to creating a positive impact for people.**

Through a comprehensive societal policy, the Group has thus been able to evolve by gradually incorporating the societal component into its business strategy.

This societal policy therefore specifies:

1. societal challenges for the Group;
2. the methods implemented to address these challenges;
3. the governance that contributes to the implementation of the Group's societal policy.

1. The Group's societal challenges

ENGIE must now face growing societal imperatives that reflect a change in the expectations of civil society and the authorities towards companies. Indeed, the Company is now seen as an actor that, because of its activities, is deeply rooted in society and must therefore play a role in improving it.

The Group is committed to exploring sustainability issues in its activities in order to respond to regional requests and needs in a co-construction process (elected representatives, services, research, associations, digital actors, citizens, companies, local ecosystems, etc.).

The health crisis that the planet is experiencing has led the Group's subsidiaries to adapt their services to support emergency and essential businesses (medical care, supply of foodstuffs), while supporting fragile and weakened populations.

Sustainability is integrated at all levels of the Group: from adherence to the principles that promote a responsible tax strategy to participation in major national and international analysis and debates on the energy transition and how to support it through a fair transition as well as improved appropriation of renewable energies by the regions, along with taking the rights and demands of communities into account fairly.

1.1. NEW CHANGES IN STANDARDS AND SOCIETAL EXPECTATIONS

The changes in standards over the last ten years are clear evidence of a transition from soft law to hard law.

These new regulations thus reflect the mobilization and professionalization of organized civil society around societal topics. NGOs dealing with these topics have also developed various action and advocacy strategies based, in particular, on international multi-expert platforms and on the use of digital tools.

While the majority of the most highly mobilized stakeholders do not require immediate perfection and can appreciate the operational constraints on companies, their cooperation is nonetheless conditioned on their expectations being taken into account. Here, ENGIE must be in constant dialogue with these actors.

1.2. HUMAN RIGHTS

The Group is fully committed to Human Rights and in particular:

- the acceptability of renewable energies across the regions and the right of communities to be informed and to take part in the decisions that affect them;
- a fair transition to support an energy transition that respects society and the environment and enables the rights of communities to be protected.

1.3. SOCIETAL INNOVATION

ENGIE has already successfully taken steps towards innovating in order to respond to societal challenges and the expectations of its stakeholders. This innovation notably includes supporting new technologies and new tools such as digital tools, following the example of the app PowerZee which educates and encourages students and employees on campus to play an active role in reducing their environmental footprint. These new tools are all methods for improving consumer awareness, information and involvement in the selection of technological solutions and lower-impact practices.

The societal innovation that the Group is also committed to involves open innovation platforms. These instruments aim to integrate ENGIE into an approach that is collaborative, opening it up to the outside world and putting down deeper regional roots, all indispensable elements for our ambition to act harmoniously.

1.4. ACCESS TO ENERGY

As set out in the Sustainable Development Goals (SDGs), access to energy represents a fundamental challenge and ENGIE sets itself apart with its ambitious responses to this issue. The Rassembleurs d'Énergies (Energy Gatherers) impact investment fund is a prime example: this unique and innovative initiative is open to Group employees and bases its business model on "cross-fertilization", i.e. mutual aid between ENGIE and local entrepreneurs to promote access to sustainable energy.

Similarly, ENGIE is represented by other energy access initiatives such as the ENGIE VOLUNTEERS PROGRAM (EVP). As the flagship of corporate patronage within ENGIE, EVP offers our employees the opportunity to engage in the program and put the Group's expertise on energy at the service of humanitarian projects.

1.5. RESPONSIBLE CONSUMPTION

With a civil society that is increasingly aware of and informed about the major environmental and societal challenges, the ascendance of what is referred to as "responsible" consumption is now clearly in evidence not just in the energy sector but in the food, cosmetics and clothing sectors too.

Consumers are now seeking a style of consumption that takes into account the criteria of sustainable development, i.e. consumption that is simultaneously environmentally friendly, beneficial for the economy (particularly the local one), and good for health, but also positive for society.



Societal Policy

Sustainable consumption and production encourage the efficient use of resources and energy, the implementation of sustainable infrastructures and the provision of access to basic services, decent employment and a better quality of life for all.

It is therefore essential for companies to take a position on this. While users are increasingly demanding responsible consumption, it nevertheless remains corporations' responsibility to provide education by integrating this major issue into their offers, activities and customer advice.

2. The methods implemented by the Group to address its challenges

Faced with these growing societal challenges, ENGIE has been able to deploy a range of methods to support the changes in our society and meet today's challenges.

2.1. BE IN CONTACT WITH CIVIL SOCIETY

ENGIE cannot meet the major contemporary societal challenges without being in constant contact with the various stakeholders that make up civil society at the level of Business Units (BUs) as well as within the Group's central services. This contact is facilitated particularly by means of strong links with NGOs that enable us to benefit from their expertise on topics and their local area which is indispensable for creating shared value in our projects and activities.

In the current context, we need to strengthen our partnerships with a civil society that is committed to ecological and solidarity-based transition issues, both at the environmental and societal level and in terms of Human Rights.

2.2. PROVIDE OPERATIONAL EMPLOYEES WITH A SOCIETAL TOOLKIT

This toolkit, designed with and for operational entities, is built on a six-step dialogue process called "Stakeholder Engagement". This ranges from a contextual analysis to the exhaustive identification of stakeholders for the related issues, including drafting an action plan and monitoring and assessing its impact. This toolkit also includes elements to guide operational teams in their dialogue events such as holding community meetings or mastering participatory tools.

A demanding self-assessment system has also been used to coordinate the evaluation of the system set up in all of the Group's entities. This appraisal, designed with the support of AA1000, an institution with an international reputation in CSR, ensures that the approach implemented is efficient.

The CSR Department oversees the compilation of this data and supports the BUs in achieving our objective of dialogue.

2.3. ORGANIZE TRAINING PROGRAMS AND SUPPORT FOR BUS

For the Group, training the company as a whole on managing societal issues is an essential task as taking societal issues into account must be at the core of all our activities.

These programs are tailored to each professional or cultural context, and consist of a mix of interactive activities and academic presentations. The Department therefore participates in specific projects to provide support to operational staff on the societal issues of the region concerned.

2.4. ESTABLISH A CSR MARKETING APPROACH

Tomorrow's products and brands must meet the challenges and expectations of society. In response to the challenges of responsible consumption, ENGIE is supporting the gradual integration of the "sustainability" dimension into its offers for private customers, local authorities and industrial customers.



We are integrating sustainability into our offers and exploring new approaches to achieve the harmonious progress objectives we have set ourselves.

3. Governance on societal responsibility matters

The Societal Policy is used within the Group through a CSR sector within the BUs, as well as various committees, a community of practices, and the Societal Department of the CSR Division.

This Department is composed of a specialist team with the specific skills to meet the societal challenges and capable of providing considerations on these topics at Group level. Its expertise is intended to complement the actions implemented more locally within the BUs, following the example of transversal approaches such as the "Working Group for the Post-Coal Transition". The Societal Department has four types of activities:

1. **Structuring the Group's dialogue process** in order to provide the BUs with specific standards and a pre-structured approach to dialogue with stakeholders. The objective is to help the BUs integrate the dialogue dimension in an efficient and rapid manner.
2. **Supporting operational staff** on specific projects in order to provide specific guidance that is closely related to operations. The aim is to use the societal tools previously developed by the Department (cartography, self-assessment, monitoring) to respond to invitations to tender or to meet the specific needs of a Group project.
3. **Anticipating controversies** in order to limit their impact.
4. **Supporting the Group's policy through partnerships that create structure** and allow us to retain or even strengthen the link between ENGIE and organized civil society. These partnerships are essential as they allow the Group's decisions to be aligned with the concerns of society and thus create new opportunities and anticipate possible future controversies.
5. **Linking the CSR Department with the Ethics & Compliance Department with the aim of supporting the BUs in the development and implementation of the vigilance plan.**
6. **Integrating the process of dialogue with stakeholders into the ERM process.**

4. Appendices

4.1. APPENDIX 1: Our objective to engage with stakeholders between now and 2030

Objective	Indicators	Group 2025 target	Group 2030 target
Engagement with stakeholders	Share of activities, projects and sites being dismantled that have a societal plan	80%	100%

4.2. APPENDIX 2: NGO partnerships

Our ambition is to establish a relationship with civil society based on a shared-interests approach

To achieve this, the following conditions must be created:

1. **Find the balance** between “operational” NGOs (“project facilitators”) and “institutional” NGOs (“influencers and imagemakers”) for:
 - local roots;
 - balance between alliances with different types of NGOs;
 - non-substitutability of NGOs for the authorities: strengthening their legitimacy through taking on a role of technical assistance to communities to support their decision-making.
2. **Deepening** of these partnerships:
 - extending the “on-the-ground operational” dialogue between NGOs and corporations to all NGOs (in particular “institutional” NGOs) to increase the creation of shared value through communities taking ownership of our projects;
 - and conversely, providing substance to and strengthening our messages against NGOs that tend to be resistant (admittedly increasingly rarely).
3. **Encourage collaboration between players**

This is not confined to a simple “**bifurcation**” but rather a commitment to a real **transition** aimed at moving **from the individual to the collective**. At the core of this transition is the necessary **change in model for the company**, particularly our relations with civil society. However, several conditions are essential for this change to take place:

- strengthening the **bonds of trust** between the various actors;
- **relative flexibility**;
- corporate and top management leading by example.